



## MEMORANDUM

### *Citizens Finance Review Commission*

#### **Re: Suggested list for exemption repeal**

The list below represent the Transaction Privilege Tax research group's attempt to apply what the research group accepted from the research reports to the current TPT system. The lists represent a general consensus of the researchers, but certainly not an unanimous opinion.

#### **Repealing Exemptions.**

The commission asked the Transaction Privilege Tax research group to review the "Organizing the Transaction Privilege Tax Exemptions" report and come up with a list of the exemptions that were most eligible for elimination based on the guiding principles of this commission and the suggested principles in the "Guiding Principles in Evaluating Transaction Privilege Tax Exemptions" report. The research group ordered these exemptions by the number of votes by researchers in favor of their elimination.

Citation	Plain English Description	\$ in tax revenue, if available <sup>1</sup>
42-5073(B)(1)	Health club and golf club memberships (5)	\$17,280,000
42-5159(A)(38)	Materials for prescription plan identification cards	NI
42-5065(B)(1) and related statutes	Income from advertising	23, 204,000
42-5071(A)(5)	Leasing or renting semi-trailers manufactured in Arizona	NI
42-5075(B)(5)	Launch site construction	NI
42-5064(B)(4)	Satellite television broadcast service	13,000,000*
42-5064 and 42-5064 (A)(1)	Interstate telecommunications	At least \$23,800,000
42-5061(A)(49)	Food purchased by commercial airlines	NI
42-5061(B)(18)	Machinery for production of eggs	NI
42-5061(A)(42) 42-5159(A)(37)	Exemption on those paying motor carrier tax	NI
42-5061(A)(4)	Sales to non-residents if shipped out of state	NI
	Personal hygiene products in hotels	NI

<sup>1</sup> These figures are taken from the DOR 2001 Expenditure Report

42-5061(Q) 42-5159(A)(41)	Mobile phones sold as part of a service contract		NI
42-5061(B)(3) 42-5159(B)(3)	Personal property sold to telecommunications businesses		NI
42-5061(B)(21) 42-5059(B)(21)	Equipment used to update for digital television signals.		NI

\*Taken from legislative staff bill summary by Senate staff as of April 1, 2002.